



City of Winslow, Arizona

FY 2016-17 BUDGET MESSAGE

Mayor Boyd and City Council:

The budget for the City of Winslow in fiscal year 2016-17 is a spending plan that will provide for the basic municipal services that the people of Winslow expect and deserve within the confines of available revenue. Because economic growth in Arizona continues to rebound at a snail's pace, every aspect of this budget will share in the challenges that we all face in order to maintain the balance between revenues and spending. As presented, we will be able to do this, optimistic that our modest economic growth will enable us to continue providing basic services and completing projects that improve our quality of life.

As we completed the FY2012-13 fiscal year-end audit, our fund balance went from \$2,868,145 to \$2,491,057 for a reduction of \$376,988 in the General Fund. In FY 2013-14 our year-end balance was \$3,164,750 for an increase of \$673,693 in the General Fund and in FY2014-15 our year-end balance was \$3,374,308 for an increase of \$209,558 in the General Fund. As we look forward to FY 2015-16, our budget will continue to provide services to the community, and while we were able to contain our health insurance costs with NO increase in costs or decrease in benefits. This item, plus the additional costs of returning the Animal Care Facility and the Code Enforcement Officer from the Sanitation Fund, challenge our ability to balance the General Fund, but we are bringing to you a package that will mostly rely on current revenues and will also require the use of \$230,541 in General Fund reserves. Rate increases will be necessary to balance the Sewer and Water Funds, but the Sanitation Fund will remain at the current rate as we implement the new waste hauling and recycling contract. Overall, the staff feels very positive about the future of the City and is looking forward to the new fiscal year.

Along with a solid spending plan for FY17, the City's assets appear to be in good condition. We have, over the last few years, addressed an overall strategy for improving the street, park, recreation and tourism infrastructure in Winslow. Our Capital Improvement Plan addresses many improvements, including improvements at the Airport, sidewalk and street improvements, tourism development, and recreation facilities. This year we are again addressing the blight conditions that mar our attractiveness and deter the commercial and tourism sectors from adding Winslow to their strategic plans. The impression we give to all visitors is vitally important to our economic health.

The City Management staff was integrally involved in the formation of the budget. Directors developed budgets for their areas of responsibility in cooperation with the City Manager and Finance Director.

Management Staff

City Manager:	Stephen J. Pauken
City Clerk:	Suzy Wetzel
Finance Department:	Elias Jouen, Director
Police Department:	Stephen Garnett, Chief of Police
Fire Department:	James Hernandez, Fire Chief
Public Works:	Allen Rosenbaum, Director
Personnel Department:	David Coolidge, Manager
Law:	Ellen Van Riper, City Attorney
Library:	Docia Blalock, Director
Public Housing	Jesse Fernandez, Director
Community Development	Paul Ferris, Director

Without the assistance of these individuals, this budget would have been impossible to establish.

FY 2016-17 BUDGET SUMMARY

The Budget reflects the City's commitment to establishing Winslow as one of the most progressive communities in Northern Arizona while maintaining the attractive qualities of a small, semi-rural community and tourist destination. It also reflects a desire to invest in our economic future so that the long-term financial stability of the City is assured. Basic municipal services are our primary mission, and constitute the majority of spending for FY 2016-17.

The FY 2016-17 City Budget is the combined budgets of all parts of the organization with revenue and expenditure totals of \$30,731,765. Current revenues and current expenditures are in balance. Including a Capital Improvements Program that has funding available to meet our goals, we should be able to make some major improvements in infrastructure and services.

The City is projecting a 4.17% increase in total General Fund available revenue. The General Fund is the fund where the vast majority of employee compensation is paid. We have funded a 3% salary increase in the FY 2016-17 Budget, the third increase in seven years. The General Fund was negatively impacted over the last few years by revenue reductions, the rising cost of health insurance and pension contributions for our employees along with reductions in state-shared revenues; areas over which we have little, if any, control. For this budget year, we see revenues increasing slightly and a slight increase in expenditures.

BASIS OF ACCOUNTING

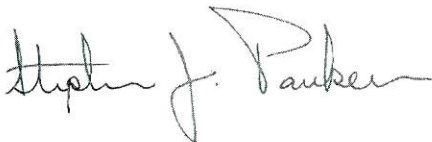
The basis of accounting used in the financial statements is the modified accrual method in which revenues are recognized when they are actually realized and the expenditures are recognized as the fund liability is incurred. We are in full compliance with GASB 34 which mandated changes to the financial statements of local governments, closely reflecting financial statements in the private sector.

CONCLUSION

The City of Winslow finds itself poised to make significant changes in infrastructure, programs and services in the coming year. We have adapted to the changing economy, and maintain a financial status that is rock solid.. Even though our local revenues are recovering slowly, there are still negative factors beyond our control in state shared revenues and legislative action. We are fortunate to have managed funds wisely in previous fiscal years and spent prudently. Even though we have made good progress in the last few years to improve community services, improve employee compensation and morale, and strategically plan our future, we wish we could do more. Hopefully, economic conditions will continue to improve in the next few years.

This is my third budget as City Manager and Mr. Jouen's first budget as Finance Director for the City of Winslow. A municipal budget is a product of the talents of many different people including the Mayor, the City Council, and the people of the community of interests that make our community thrive. Our thanks go out to all who shared their time and talent with us to ensure a great community both now and in the future.

Respectfully submitted,



Stephen J. Pauken
City Manager



Elias Jouen
Finance Director

May 6, 2016

OFFICIAL BUDGET FORMS

CITY/TOWN OF WINSLOW

Fiscal Year 2017

CITY/TOWN OF WINSLOW

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CITY/TOWN OF WINSLOW
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year	S c h	FUNDS								Total All Funds
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds		
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	8,078,627	2,077,593	629,911	0	73,425	5,238,901	270,719	16,369,176	
2016	Actual Expenditures/Expenses**	8,774,294	3,500,000	629,911	1,500,000	10,830	4,300,000	589,216	19,304,251	
2017	Fund Balance/Net Position at July 1***								0	
2017	Primary Property Tax Levy	371,710							371,710	
2017	Secondary Property Tax Levy								0	
2017	Estimated Revenues Other than Property Taxes	7,683,709	1,288,392	0	2,718,158	4,501,410	12,915,985	270,000	29,377,654	
2017	Other Financing Sources	0	0	0	11,823,771	0	0	0	11,823,771	
2017	Other Financing (Uses)	0	0	0	11,823,771	0	0	0	11,823,771	
2017	Interfund Transfers In	1,000,000	0	619,277	0	0	0	0	1,619,277	
2017	Interfund Transfers (Out)	1,000,000	300,604	0	0	0	318,673	0	1,619,277	
2017	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:								0	
									0	
									0	
									0	
2017	Total Financial Resources Available	8,055,419	987,788	619,277	2,718,158	4,501,410	12,597,312	270,000	29,749,364	
2017	Budgeted Expenditures/Expenses	8,294,249	1,325,827	619,277	2,868,544	82,639	4,720,802	522,094	18,433,432	

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions (Police Grants \$202,452 and DSF \$619,277)
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2016	2017
	\$ 16,369,176	\$ 18,433,432
	16,369,176	18,433,432
	821,729	821,729
	\$ 16,369,176	\$ 17,611,703
	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

- * Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
- ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
- *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY/TOWN OF WINSLOW
Tax Levy and Tax Rate Information
Fiscal Year 2017

	<u>2016</u>	<u>2017</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>361,469</u>	\$ <u>371,710</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>360,000</u>	\$ <u>371,710</u>
B. Secondary property taxes		
C. Total property tax levy amounts	\$ <u>360,000</u>	\$ <u>371,710</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>341,053</u>	
(2) Prior years' levies	<u>21,600</u>	
(3) Total primary property taxes	\$ <u>362,653</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ _____	
C. Total property taxes collected	\$ <u>362,653</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>1.3378</u>	<u>1.4021</u>
(2) Secondary property tax rate	_____	_____
(3) Total city/town tax rate	<u>1.3378</u>	<u>1.4021</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>NO</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY/TOWN OF WINSLOW
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
City Sales Tax	\$ 3,200,000	\$ 3,200,000	\$ 3,050,000
Bed Tax	95,000	135,000	134,000
Licenses and permits			
Licenses and Permits	25,000	27,611	32,000
Business Licences	2,500	500	2,500
Franchise Fees	220,000	208,841	225,000
Intergovernmental			
State Shared Sales Tax	992,372	910,000	904,057
State Shared Income Tax	1,162,461	1,162,461	1,175,057
Transfer In			
Vehicle Tax	540,122	531,861	556,685
Police Grants	252,482	142,795	202,482
Charges for services			
Interfund Charges	605,000	536,025	1,000,000
Cemetery	60,000	51,750	55,000
Parks and Recreation	60,400	65,000	63,500
Ambulance Calls	52,000	55,000	60,000
Fines and forfeits			
Court	57,500	48,000	62,650
Library	4,000	3,650	3,600
Interest on investments			
Interest Earnings	15,000	29,000	25,000
In-lieu property taxes			
Contributions			
Voluntary contributions			
Other Financing Sources			
Proceeds from Land Sales			58,158
Miscellaneous			
Miscellaneous	10,000	16,461	24,020
Insurance Proceeds	2,000	5,000	25,000
Vehicle Impound Fees	3,000	6,389	5,000
Rentals	15,000	22,335	20,000
Total General Fund	\$ 7,373,837	\$ 7,157,679	\$ 7,683,709

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

[illegible]

SCHEDULE C

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
DEBT SERVICE FUNDS			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Total Debt Service Funds	\$	\$	\$
CAPITAL PROJECTS FUNDS			
Bar & Restaurant Tax	\$ 300,000	\$ 355,000	\$ 300,000
City Sales Tax	1,400,000	1,587,090	1,600,000
Miscellaneous/Other Funding Sources	10,000	16,575	68,158
Airport Grants		1,309,687	
	\$ 1,710,000	\$ 3,268,352	\$ 1,968,158
La Posada - State Grant	\$ 750,000	\$	\$ 750,000
	\$ 750,000	\$	\$ 750,000
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Total Capital Projects Funds	\$ 2,460,000	\$ 3,268,352	\$ 2,718,158

SCHEDULE C

CITY/TOWN OF WINSLOW
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
PERMANENT FUNDS			
Pension Contributions	\$ 2,000	\$ 2,788	\$ 2,000
Miscellaneous			
Interest Earnings	8,000	(11,608)	
	\$ 10,000	\$ (8,821)	\$ 2,000
Library Trust - Donations	\$ 2,000	\$ 2,175	\$ 2,000
	\$ 2,000	\$ 2,175	\$ 2,000
Animal Control Trust - Donations	\$ 2,000	\$ 200	\$ 5,000
	\$ 2,000	\$ 200	\$ 5,000
Winslow City Commissions - Donation	\$ 5,275	\$ 2,593	\$ 4,000
Historic Preservation Donation			1,000
Airport	54,150		4,487,410
	\$ 59,425	\$ 2,593	\$ 4,492,410
Total Permanent Funds	\$ 54,150	\$ (3,852)	\$ 4,501,410
ENTERPRISE FUNDS			
Water Sales	\$ 1,850,000	\$ 1,800,000	\$ 1,868,500
Miscellaneous	103,000	112,000	98,200
Interest Earnings	5,000	8,000	7,000
Surcharges	170,000	180,000	175,000
	\$ 2,128,000	\$ 2,100,000	\$ 2,148,700
Sanitation - User Fees	\$ 809,000	\$ 818,000	\$ 800,000
Miscellaneous	1,000	4,000	3,600
Interest Earnings	7,385	525	500
Transfer In	75,000		41,185
	\$ 892,385	\$ 822,525	\$ 845,285
Wastewater - User Fees	\$ 2,000,000	\$ 2,110,000	\$ 2,471,000
Miscellaneous	2,000	400	1,000
Interest Earnings	30,000	78,000	50,000
			7,400,000
	\$ 2,032,000	\$ 2,188,400	\$ 9,922,000
Total Enterprise Funds	\$ 5,106,535	\$ 5,110,925	\$ 12,915,985

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF WINSLOW
Revenues Other Than Property Taxes
Fiscal Year 2017

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2016</u>	<u>ACTUAL REVENUES* 2016</u>	<u>ESTIMATED REVENUES 2017</u>
INTERNAL SERVICE FUNDS			
Fleet Maintenance Fund	\$ 270,719	\$ 300,000	\$ 270,000
	\$ 270,719	\$ 300,000	\$ 270,000
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Total Internal Service Funds	\$ 270,719	\$ 300,000	\$ 270,000
TOTAL ALL FUNDS	\$ 16,519,436	\$ 17,540,607	\$ 29,377,654

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF WINSLOW
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Charges to other funds	\$	\$	\$ 1,000,000	\$ 1,000,000
Total General Fund	\$	\$	\$ 1,000,000	\$ 1,000,000
SPECIAL REVENUE FUNDS				
Hurf (Bond Debt)	\$	\$	\$	\$ 300,604
Total Special Revenue Funds	\$	\$	\$	\$ 300,604
DEBT SERVICE FUNDS				
Hurf - Debt Service fund	\$	\$	\$ 300,604	\$
Water - Debt Service Fund			318,673	
Total Debt Service Funds	\$	\$	\$ 619,277	\$
CAPITAL PROJECTS FUNDS				
Revenue Bond	\$ 7,400,000	\$	\$	\$
Wastewater Treatment Plant Upgrades		7,400,000		
FAA Federal Grant	4,216,776			
State Grant	206,995			
Airport Improvements		4,423,771		
FAA Federal Grant				
Airport Improvements				
State Grants				
Total Capital Projects Funds	\$ 11,823,771	\$ 11,823,771	\$	\$
PERMANENT FUNDS				
	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Water (Bond Debt)	\$	\$	\$	\$ 212,179
Water (WIFA Loan Debt)				106,494
Total Enterprise Funds	\$	\$	\$	\$ 318,673
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$

CITY/TOWN OF WINSLOW
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$ 11,823,771	\$ 11,823,771	\$ 1,619,277	\$ 1,619,277

CITY/TOWN OF WINSLOW
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
Mayor & Council	\$ 109,712	\$	\$ 99,000	\$ 119,856
Court	123,155		125,000	123,121
General Administration	338,139	58,157	464,450	386,277
City Clerk	128,209		115,500	132,550
Attorney	94,500		94,500	98,100
Finance	273,509		280,000	326,701
Human Resources	145,196		151,536	140,175
Library	230,812		230,812	237,370
Parks, Recreation & Facilities	1,337,052		1,742,663	1,092,364
Planning, Zoning & Building	252,223		349,435	274,845
Police	3,219,434		3,064,281	3,617,207
Fire	825,529		1,114,117	784,483
Non-Departmental	943,000		943,000	961,200
Total General Fund	\$ 8,020,470	\$ 58,157	\$ 8,774,294	\$ 8,294,249
SPECIAL REVENUE FUNDS				
HURF	\$ 2,077,593	\$	\$ 3,500,000	\$ 1,325,827
Total Special Revenue Funds	\$ 2,077,593	\$	\$ 3,500,000	\$ 1,325,827
DEBT SERVICE FUNDS				
HURF Bond Sinking Fund	\$ 300,604	\$	\$ 300,604	\$ 300,604
Water Bond Sinking Fund	329,307		329,307	318,673
Total Debt Service Funds	\$ 629,911	\$	\$ 629,911	\$ 619,277
CAPITAL PROJECTS FUNDS				
Capital Projects	\$	\$	\$ 1,500,000	\$ 2,868,544
La Posada				
Total Capital Projects Funds	\$	\$	\$ 1,500,000	\$ 2,868,544
PERMANENT FUNDS				
On-Call Fire	\$ 10,000	\$	\$ 9,425	\$ 10,000
Library Trust	2,000		300	2,000
Animal Care Trust	2,000		1,105	2,000
Winslow City Commissions	5,275		4,000	5,000
Airport	54,150		165,000	63,639
Total Permanent Funds	\$ 73,425	\$	\$ 10,830	\$ 82,639
ENTERPRISE FUNDS				
	\$	\$	\$	\$
Water	1,851,669	50,000	1,800,000	1,981,720
Sanitation	1,098,703		1,000,000	909,413
Wastewater	2,238,529		1,500,000	1,829,669
Total Enterprise Funds	\$ 5,188,901	\$ 50,000	\$ 4,300,000	\$ 4,720,802
INTERNAL SERVICE FUNDS				
Fleet	\$ 270,719	\$	\$ 328,791	\$ 310,668
Public Housing			260,425	211,426
Total Internal Service Funds	\$ 270,719	\$	\$ 589,216	\$ 522,094
TOTAL ALL FUNDS	\$ 16,261,019	\$ 108,157	\$ 19,304,251	\$ 18,433,432

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY/TOWN OF WINSLOW
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	95	\$ 3,603,205	\$ 625,140	\$ 567,906	\$ 489,937	\$ 5,286,188
SPECIAL REVENUE FUNDS						
HURF	7	\$ 240,660	\$ 24,086	\$ 42,763	\$ 49,014	\$ 356,523
Total Special Revenue Funds	7	\$ 240,660	\$ 24,086	\$ 42,763	\$ 49,014	\$ 356,523
DEBT SERVICE FUNDS						
		\$	\$	\$	\$	\$
Total Debt Service Funds		\$	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS						
		\$	\$	\$	\$	\$
Total Capital Projects Funds		\$	\$	\$	\$	\$
PERMANENT FUNDS						
		\$	\$	\$	\$	\$
Total Permanent Funds		\$	\$	\$	\$	\$
ENTERPRISE FUNDS						
Water	8	\$ 301,086	\$ 34,565	\$ 56,178	\$ 43,328	\$ 435,157
Sanitation	4	\$ 108,289	\$ 10,979	\$ 20,997	\$ 16,448	\$ 156,713
Wastewater	7	\$ 280,684	\$ 32,223	\$ 60,073	\$ 40,214	\$ 413,194
Total Enterprise Funds	18	\$ 690,059	\$ 77,767	\$ 137,248	\$ 99,990	\$ 1,005,064
INTERNAL SERVICE FUND						
Fleet	2	\$ 81,923	\$ 9,405	\$ 19,344	\$ 11,546	\$ 122,218
Total Internal Service Fund	2	\$ 81,923	\$ 9,405	\$ 19,344	\$ 11,546	\$ 122,218
TOTAL ALL FUNDS	122	\$ 4,615,847	\$ 736,398	\$ 767,261	\$ 650,487	\$ 6,769,993

SCHEDULE G